



Department of Economic and
Community Development

Connecticut
still revolutionary

Catherine H. Smith
Commissioner

TESTIMONY BEFORE THE INSURANCE COMMITTEE
3/1/16

**RE: HB 5343 AN ACT ADOPTING THE NATIONAL ASSOCIATION OF INSURANCE
COMMISSIONERS' INTERSTATE INSURANCE PRODUCT REGULATION COMPACT**

Senator Crisco, Representative Megna, Senator Kelly, Representative Sampson and members of the Insurance and Real Estate Committee. I appreciate the opportunity to testify on HB 5343: An Act Adopting the National Association of Insurance Commissioners' Interstate Insurance Product Regulation Compact and to share my concerns with the language as drafted.

Connecticut is home to some of the most successful insurance and financial services companies in the world. With such a large concentration of these firms, Connecticut employs many financial analysts, underwriters, risk managers, and actuaries. As a result, the success of the insurance and financial services sector is integral to the success and growth of Connecticut's economy.

The Interstate Insurance Product Regulation Compact is a joint effort of states to develop comprehensive uniform standards for the product content requirements of asset-based insurance products. The Compact is a central point of filing, reviewing and approving insurance products based on national uniform standards, with strong consumer safeguards. Companies doing business in states that have adopted the Compact have a more streamlined product approval process that promotes speed-to-market, while maintaining those strong consumer protections. This speed-to-market allows businesses to better compete nationally and globally.

We at the Department of Economic and Community Development are certainly supportive of Connecticut joining the Interstate Insurance Product Regulation Compact. We strongly believe that consumers, regulators and insurers would all benefit. However, it is our understanding that the language in HB 5343 would prove problematic for Connecticut's entry, specifically that the opt-out provisions in the bill deviate from the provisions of the Compact. As a result, we strongly urge consideration of the Governor's proposed bill on this topic, so that Connecticut can finally join the forty-four other states that benefit from being Compact members.